the growth of such value with the growth in excise revenue.

The percentage of modvat credits availed in the total duty payable has increased from 11.7 per cent in 1986-87 to 37.0 per cent in 1994-95 and 42.4 per "cent in 1995-96. This is attributable to the extension of Modvat Scheme to more commodity groups and enlarging the scops of credit not only for inputs used in manufacture of final products but also for capital goods, consumables etc. used thereon.

Proposal for 'Smart Cards' Scheme

2268. SHRI NARENDRA MOHAN:
SHRI YERRA NARAYANA-SAMY:
DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is propos ing to launch a scheme of 'smart cards' to solve the problem of short age of coins/currency notes;

fh) if so. whether this 'smert card' will be acceptable to establishments all over the country, or will the oper ation be kept limited to select places and for select establishments only: and

(e) whether common-man will benefit from this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) and (c) Do not arise.

Decline in Direct Tax Collection

2269. SHRI; NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that direct tax cuUcction recorded a deficit of Rs. 1,862 crore in 1996-97 as compared to tlie revised budget estimate of Rs. 40,163 crore, as reported in Economic Times of 13th June, 1997;'

(b) if so, whether it is due to over estimation of tax targets or slackness in collection due to some corporate bodies postponing their last quarter payments;

(c) whether any special efforts are being made this year so that estimated tax revenues are collected during 1997-98; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No Sir. The deficit in Direct Tax Collection has been to the tune of Rs. 1483 crores only. The total collection was Rs. 38,680 crores ag-a'nst Revised Estimates of Rs. 40,163 crores.

(b) No Sir. The deficit in collection is neither due to ove'r estimation of tax targets nor due to slackness in collection. The growth in economy could not keep pace with the expectations .

(c) and (d) Every effort is being made to realise the estimated direct tax revenues. Many innovative legis-btive measures have been taken in the Finance Act 1997. The pos'tion is bein<; closely monitored by CBDT and Chief Commissioners.

Cenrral and State subsidies

2270. SHRI PREM CHAND GUPTA: Will the' Minister of FINANCE be pleased to state:

(a) whether it is a fact that in 1994-95, the Central and State subsidies amounted to Rs. 1,37,338 crorcs constituting 14.4 per cent of the GDP and that at this rate subsidy will be Rs. 1,80,000 crores for 1997-98; and

(b) if so, whether Government plan to reduce it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per the discussion paper entitled Government Subsidies in India (based on a research study by the National Institute of public Finance and Policy) presented to the Parliament in May 1997, the aggregate level of subsidy (both expl'cit and implicit) in 1994-95 on all goods and services provided by the Central and State Governments is estimated at Rs. 137.338 crore, constituting 14.4 ner cent of the cross domestic product. The explicit. oroyis'on for sunsidies triven in the central budget for 1997-98 rover items as indicated in,the table below The provision for total explicit subs'dies in the central budget is budgeted to increase by 9.3 per cent from Rs. 16,694 crores in 1996-97 (RE) to Rs. 18,251 crore in 1997-98 (BE). The discussion paper with a view to reform the pre- ; sent regime of subsidies has emphasi- * sed the' need to focus on reducing overall scale of subsidies; making subsidies as transparent as possible; e using subsidies for well-defined eco- ; nomic objectives; focusing subsidies/ to final goods and services with a view to maximising their impact on the target population at a minimum cost; instituting systenes for periodic raview of sunsidie and; setting clear limits on duration of any new subsidy schemes.

Details of subsdies Ptovidad in the Centtal Budset from 1990-91 to 1997-98(BE

(Rupees Crore)

Descriplion/yeai	1993-91	1991-92	1992-93	1993-94	1994-95 (RF)	1995-96	1996-97	1997-98
A. Majur Subsides	9581	9781	9414	10764	11527	12128	11233	17180
1. Food	2450	2850	2800	5537	5100	5377	6066	7500
2. Irdi-jenous (Urea) Fertiliser .	3730	3500	4800	3800	4075	4300	4743	5240
3. Imported (Urea) Fertiliser .	659	1300	996	762	*1166*	1935	1350	1950
4, Fertiliser subsidy to . small and matginaj . laimers								
5. Export promotion and market Deve-lopmsnt	2742	1758	818	665	658	16	40G	440
6. Sale ol decontrolled fertiliser with con-1-cession to farmers	1502	1425		500	341			2000
B. D ebt Relief to far-' mers								
C. Otlier Subsidies	1075	1035	1081	1418	1064	1177	2461	1121
7. Railways -	283	312	353	412	420	418	466	
8. Mill-made cloth .	10	15	15	16		1		
9. Handbom cloth .	185	187	161	174	148	143	98	
10. Import/Export of sugar, edible oils etc.						100	50	50
11. Inisreits subiidias	379	314	113	113	76	34	1257	34
12. Assistance lot ferli-User promotion .			340	517				
13. *Oihzi* Subsliiaa ,	218	205	99	186	42ft	481	590	416
O. Total Subsidies	1215S	12253	11995	12682	12932	13305	I6694	18251